

CENTRAL INTELLIGENCE AGENCY
WASHINGTON, D.C. 20505

18 AUG 1969



At a recent meeting the Agency Contract Review Board expressed its desire to write you extending its appreciation for your support of the Board.

Inasmuch as it is very necessary to be properly advised as to audit problems relating to procurements, your advice was most helpful to the Board.

Please accept the deep appreciation of the Board and with it every good wish for a long and happy retirement life.

Sincerely,

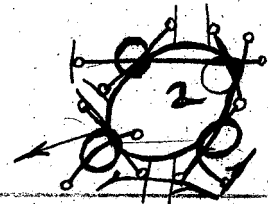


Chairman
Agency Contract Review Board

STAT

A II

$$g + v_i = g_i + \sum_{j=1}^n p_{ij} v_j$$



Pass out Ben's "logistics Briefing"

STAT

[] - Commence C252 change of scope - TELCOM

° Attached to [] is equip. STAT

° INCREASED COMPLEXITY TO EXPLOIT SYSTEM.

STAT

° [] orig - 6.7%

STAT

ooo

[] video camera

STAT

oo

[] Study - [] will come in - [] will handle STAT

STAT

o

[] Ben like Board to see more gear! R&D? on the contract - Was the overrun overrun - or change of scope - Look for some detail on "overrun" aspects -

STAT

★

[] - COMMENTS ON BLAKE REMARKS.

SOUL-SEARCHED LIST - 6 FIELDS

a) CONTINUING STUDY OF CAUSES & REMEDIES OF OVERRUNS

b) ON GOING & REFLECTIVE STUDY OF INCENTIVES { uses strengths weaknesses

c) COSTS OF R&D - INDEX - INFLATION - (BLAKE)

d) STUDY ON PATENT RIGHTS & DATA LEADING TO POLICIES/PROCEDURES STAT

e) EXPLORE CONTRACTS WHERE POLICY ETC INVOLVED. []

f) IDENTIFY RELATIONSHIPS WORTHY OF [] TYPE STUDY. STAT

JUST THE BEGINNING!

STAT

☐ will review 25 Chairman CRP on following dates

Aug - TSD

Sept - OEL

Oct - ORD

Nov. -

under para. 4 of ☐

STAT

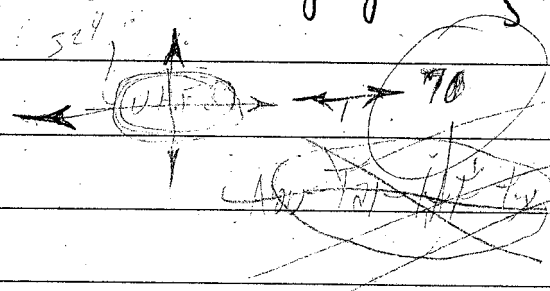
→ All object - next Board function. - time for Dir. Reps.
All Directorate concerns - review as Spec. An't, not as CRP.

STAT

☐ puts DTR in the middle of programs
which may spend 200K over a 3 year period.

1 dtd 28 July 69 - to DD's 29 July 69

Amend P.O. H. Book with guides on handling
proprietary data.



-CRB-

27 May 70

STAT



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→ Inner envelope marked w/ class & address of recipient -



Report on contracts placed - will regularly go to members.

Audit on cases before come to board?

CYAF contracts

- Senior contracting officers feel that

- a report is being prepared for Blake

- not being used as much as previously.

- future ones may have more explicit guidance for determining amount of award fee.

Potential contractors -

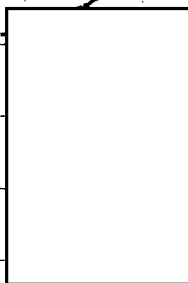
Forms have been sent to 10 contractors.

STAT

DDI problems w/ 

STAT

Steno Scanner



orig contract

1st overrun

2d "

← have nothing to complete.

Have brought another contractor in to evaluate, etc.

→ No overrun on DRD work.

→ Security biz on camera for A.

Jack Blake

1. Need to centralize some Proc. functions such as
royalty, settlement, etc. GFE policy

2. [] office change

3. Need more staff ass't to CRB & Div. Lgs to oversee
decentralized ops.

Propose to create Procurement Mgt. Staff -

3 officers + sec.

Dy. Dir. of Loy Chair of Board - CRB

Chief of Mgt. Staff Deputy Chair of CRB

2 serve as tech expert consultant on contracts

Proc.

be supervised by

Proc. Mgt. Staff.

Proc Mgt. Staff will provide "service" as requested
by Procurement Teams. - Patent royalties,
base contracts, etc, etc.

LLB + grad courses in contracting.

11 FEB 70

4/16/69

GFE Summary

✓ 1200 items of stated value of ~ [] & GFE work
 up 2 contractors on West Coast. Greatest prob. stated
 to be lack of direction by TO to C.O. on disposition.

[] & [] will get together on [] case study.

[] Orig. [] [] []

Factors

1. Shop & labor costs not previously surfaced due to poor accounting procedures
2. Increased burden rates.
3. Subcontractor overrun of []

Requested 10 Mar 69 to continue work through 4 Apr 69

Requested 26 Mar in lieu of 10 Mar.

- original OH rates based on QSA rates
- Contract price lowered by []
- Cost incentive not used due to probable changes.

Completion date extended to 6 Apr by Amendment of Jan 69 due to certain changes directed by sponsor - funds being processed.

25 Sept 68 cost increased by [] and fee

14 Feb 69 [] added - increase of scope for removable window, etc., etc.

FP - but sole source follow on.

EDL

BIG SIGNALS-

1. ALLOCATION OF BUDGETS TO OFFICES PLACES
(ARTIFICIAL) CONSTRAINT ON AGENCY FINANCIAL
MANAGEMENT
2. DELAY IN GO-AHEAD JEOPARDIZE ENTIRE PROGRAM.
3. CONTRACTUAL NICETIES INAPPROPRIATE TO THE
REAL SITUATION - AND NOT CONDUCIVE TO EXCELLENCE
IN THE PROGRAM.
4. LACK OF FIRM DEFINITION → OF WHAT WAS TO BE
ACCOMPLISHED - I.E. SYSTEM ANALYSIS (DIRTY WORD)



Jun negotiations were helpful & constructive

Conts not participating in Nebraska - ~~test~~ Joe hesitant about
increasing costs - not participating as fully as would like to.

Wade

Blake -

Responding to earlier meeting - a commitment to

1. Understand problem
2. Identify items mutually interesting to Board & D/O
3. Provide staff assistance to C/CAB

Have list of suggestions for Board

Ball back in Board's Court

In selecting items for Board consideration have minimized list to those which are directed to need need & appear feasible of developing a solution.

Ben -

aboard

Evaluation cards ready for "technical input"

- RDS req. development of statistics from past files w/o going to Directorate - others concurred
- CIS/SIPS

Jay requests lists of contractors to be searched to

RDB object to 2 memos re Chair/CAB in evaluation & surveillance role - etc. concurs Ben will discuss w/ Blake. Agree Special Asst may be appropriate 'host'.

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Approved For Release 2006/02/06 : CIA-RDP74B00535R000100180018-6

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J. Blake

MAR 12 '69

- Charter may not need revision = question is role of Board, -
- Could make a full time staffer available to develop statistics, etc.
- Tighter tie to ExDir for consideration of cases & develop broader recommendations.
- Memo re lateness on re-contracting will go to ExDir & TPB.
- Board might query Project Contracting Officers Meeting for data, advice, opinion, suggestions, etc.

→ To save time let Chairman scan cases - if 'routine,' Chair may just note & pass on. Blake suggest - Ben somewhat reluctant.

Discussion -

Jay unclear re role of DP/STAT in R&D coord vs actions of Board

Blake recounts conversation w [] that in view of solid STAT reviews of R&D prog. by S&T, Board should assume more substantive role.

Chief
Material Resources Section, IPB/SES - re SIPS

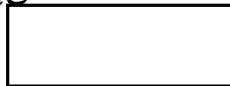
Trying to develop a single agency system

-SOT
ACORN - COMINT - FORD

Have run into Political & Technical problems -

Will slightly expand ACORN & slightly expand COMINT & retain both CTRs.

cy of comment on
fields to



12 Mar 69

Problem - Access Access via FAW

CONF & a Contact No.

In operation in ~ 3 wks.

Proposal to all interested parties in ~ 5 wks - will
reflect results of ~ 2 yrs study.

Problems -

Control No. Problem - may have 3 or more

Very little change on inputting data - inputs
now made will be centralized - ie

Form will be 2 parts.

Remote console first in OL - then to each
contract team -

→ Update data couple of times a day ←

MARTY - Control of Access?

cis will be "on-line"
Sips 1 will have 3 dedicated computers in OGE.

3

[Redacted]

Plza Stark OL.

B/oke wants to return in couple of weeks to see her gifts?

Ben

Ltr. to [Redacted] delivered - [Redacted] said he'd look into it and respond -

Describe Chaw CRB files establish, ~~all~~ sep. not needed by directorate.

Aq:

5% of inventory 6000
+ 100%

10 - 1